



Volume 14 No.6, February 15, 2008

CHAIRMAN'S MESSAGE – LEONARD BLOCKA

AUGUST 1, 2007 – JANUARY 31, 2008 PRODUCTION TARGETS

Over the past year, the Canadian dairy industry has experienced unprecedented growth in the demand for milk and milk products. As a result, producers across the country have been asked to step up production to fill this new demand. Saskatchewan producers have been quick to react by producing 97.14% of the province's quota allocation during the first six months of the dairy year. On behalf of the Board members and staff, I congratulate all producers for their efforts made in ensuring that Saskatchewan met the mid-year production target.

We do, however, have to continue to produce at unprecedented levels for the last six months of the dairy year to ensure that the province meets its production obligations. Therefore, I urge you to continue in your efforts to keep your production strong so that current production requirements are fulfilled at dairy year end.

QUOTA INCREASE

Due to continued strong demand in 2008, producers will receive a permanent increase of 0.23% in Total Production Quota (TPQ) effective February 1, 2008. In addition, the Board is issuing a 0.10% **temporary** increase in TPQ due to increases in deemed class 1 for the province. Amended quota licenses will be mailed to you in the near future to reflect these quota increases.

OTHER NEWS

Producers may have also noted a decrease in their blend price received in January. This is due to an increase in special class utilization during the month.

The Board and Dairy Farmers of Saskatchewan will once again hold the next session of producer meetings as a joint effort. Please plan to attend. The meetings will take place April 7 – 11. Please refer to pages 7 and 8 for the proposed agenda and the schedule of meetings.

Lastly, I would like to recognize Deb Haupstein and the rest of the staff located at the Provincial Dairy Lab for receiving another excellent audit report on the Lab from the Standards Council of Canada.

On behalf of the Milk Control Board members and staff, I would like to wish you continued success and good health as we enter the second half of this dairy year.

QUOTA EXCHANGE

The sixth butterfat Quota Exchange of the 2007-2008 dairy year was conducted on February 15, 2008. The market-clearing price established for the Unused Quota Exchange was **\$57.00**. The market-clearing price established for the Used Quota Exchange was **\$55.00**. The results of the February 2008 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2007-2008 dairy year will be held on March 17, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, March 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

TABLE I

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	\$57.00
Kilograms offered to Purchase	2,000
Kilograms offered to Sell	38,706
Kilograms sold	2,000
Number of Producers	
- offered to purchase	1
- purchased quota	1
- offered to sell	10
- sold quota	1

UNUSED QUOTA EXCHANGE

Price (\$/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
57.00	1	1	2,823	2,823	823	2,000	0	1	0
59.95	2	3	14,400	17,223	15,223	2,000	0	1	0
60.00	4	7	6,483	23,706	21,706	2,000	2,000	1	1
70.00	1	8	2,000	25,706	25,706	0	0	0	0
75.00	1	9	10,000	35,706	35,706	0	0	0	0
80.00	1	10	3,000	38,706	38,706	0	0	0	0

TABLE II

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	\$ 55.00
Kilograms offered to Purchase	14,750
Kilograms offered to Sell	14,500
Kilograms sold	1,250
Number of Producers	-----
- offered to purchase	4
- purchased quota	1
- offered to sell	2
- sold quota	2

USED QUOTA EXCHANGE

Price (\$/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
46.00	0	0	0	0	-14,750	14,750	2,000	4	1
50.00	0	0	0	0	-12,750	12,750	2,000	3	1
54.54	0	0	0	0	-10,750	10,750	9,500	2	1
55.00	2	2	14,500	14,500	13,250	1,250	0	1	0
57.00	0	2	0	14,500	13,250	1,250	1,250	1	1

BUTTERFAT PRODUCTION AND COMPONENT PRICING, JANUARY 2008

Butterfat production for January 2008 totalled approximately 768,423 kilograms. This was an increase of approximately 8.30% over January, 2007 shipments. **For the first six months of the 2007-2008 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 4,419,462 kilograms. In the first six months, the province has shipped 97.14% of that amount.**

The weighted average component tests and prices for the province in January are indicated in Table III.

Over quota (4m) holdings are \$904,583.69 for the first six months of the 2007/2008 dairy year.

TABLE III

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8080	\$10.032438
Protein	3.3430	\$ 7.032438
Other Solids	5.6906	\$ 1.032835

Based on the average component tests for the province, the average price received was \$67.5909 per hectolitre. The average butterfat price received per kilogram was \$17.75.

SASKATCHEWAN MILK POOL RESULTS January 2008

TABLE IV

Milk Sale Revenue	\$ 14,097,643.45
Western Milk Pool	\$ -320,105.48
Dairy Farmers of Canada Skim Off	\$ -19,057.34
Plant of Last Resort Service	\$ -58,083.68
Total Pool Value	\$ 13,639,173.49

ACCOUNTING VALUES FOR CLASSES OF MILK – February 2008

TABLE V

	Butterfat (\$/kg)	(\$ per hl. Skim milk)	
Class 1a	\$5.3000	\$60.41	
Class 1b	\$5.3000	\$60.41	
Class 1c	\$5.3000	\$54.30	
	Butterfat (\$/kg)	Protein (\$/kg)	Other Solids (\$/kg)
Class 2	\$7.3088	\$5.4705	\$5.4705
Class 3a	\$7.3088	\$12.7797	\$0.8521
Class 3b	\$7.3088	\$12.5270	\$0.8361
Class 4a, 4b, 4d & 4d(i)	\$7.3088	\$5.0721	\$5.0721
Class 4a(i)	\$7.3088	\$3.0000	\$3.0000
Class 4c	\$7.3088	\$4.3872	\$4.3872
Class 4m	\$0.00	\$0.00	\$0.00
Class 5a	\$3.1726	\$9.8339	\$0.6016
Class 5b	\$3.1726	\$3.6034	\$3.6034
Class 5c	\$4.2123	\$3.3358	\$3.3358
Class 5d	As determined by	the CDC	

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for January, 2008. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

For the 2007-2008 dairy year, the Board will continue to provide these results on a monthly basis. We hope this information will assist producers with their management decisions regarding the utilization of their butterfat quota. If you have any questions, please contact our office.

2008 WESTERN CANADIAN DAIRY SEMINAR

The 26th annual Western Canadian Dairy Seminar will be held March 4 – 7, 2008 at the Capri Hotel Convention and Trade Centre in Red Deer, Alberta.

The theme for this year's seminar is "Managing Resources for Increased Profitability".

Further details and on-line registration is available on the website <http://www.wcds.afns.ualberta.ca/> or you can call Joanne Morrison, the Conference Coordinator, at (780) 492-3236 or email her at wcds@afns.ualberta.ca

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

For Sale

- Lloyetta Holsteins have sold their cows and quota November 2007. We have kept our home bred heifers and have purchased some quality heifers. Many heifers have deep pedigrees from popular bulls such as Goldwyn, Final Cut, Sept. Storm, FBI, Titanic, Jasper and others. We also have some very nice Grade heifers due in early 2008. We have a total of 100 heifers and feel we can meet your cattle needs. The heifers will start calving in January 2008 and we will have springing heifers thru 2008 and 2009. We have breeding age bulls and younger for sale, most from VG dams with high production. Call Lloyd & Loretta Sawatzky, Box 58, RR #4, Saskatoon at (306) 239-4818 or Cell (306) 281-2247.
- Quota for sale with a transfer date of August 1, 2008 (approximately 21,033 kilograms) Contact Melanie @ (306) 764-7865.
- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980
- 2000 gallon Delaval tank. Contact James Hein (306) 365-3209
- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997
- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.

Want to Swap Quota

- Robert Coghill would like to swap in quota Phone (306) 699-7237
- Jim Gorrill would like to swap out quota. Phone (306) 725-4828.
- Kevin Flath would like to swap out quota. Phone (306) 549-2129

- Levi at Bench Colony would like to swap in quota. Phone (306) 297-3270.
- Bill Slootweg would like to swap out approximately 2000 kilograms quota. Phone (306) 597-4416.

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Phone – (306) 764-8439
Dr. David Christensen	Dairy researcher/professor U of S – Phone (306) 966-4152
Joseph Guenther	Dairy producer – Phone (306) 239-4689
David Finlay	Dairy producer – Phone (306) 493-2403
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.

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Website: www.saskmilkcontrolboard.ca email: milk.control.board@sasktel.net

**NOTICE OF PRODUCER MEETINGS
SPONSORED JOINTLY BY
THE SASKATCHEWAN MILK CONTROL BOARD
AND DAIRY FARMERS OF SASKATCHEWAN
April 7 – 11, 2008**

JOINT MEETING AGENDA

1. Registration – 9:30 a.m. (Saskatoon meeting 9:00 a.m.)
2. Update: Markets and Production – Milk Control Board
3. Milk Control Board Policy – 2007-2008 Dairy Year
4. Dairy Farmers of Saskatchewan Update – Albert Leyenhorst and Wendy Kelly
5. Question Period
6. Other Business
7. Adjourn

Lunch will be served at 12 noon at all meetings.

SCHEDULE OF MEETINGS
April 7 – 11, 2008

DATE	TIME	DISTRICT	LOCATION
Monday, April 7	9:30 a.m.	Yorkton	St. Mary's Parish, Ukrainian Catholic Cultural Center 240 Wellington St. Yorkton
Tuesday, April 8	9:30 a.m.	Odessa	Odessa Hall
Wednesday, April 9	9:30 a.m.	Swift Current	F.O.A. Eagles 1910 Service Rd W, Swift Current
Thursday, April 10	9:00 a.m.	Saskatoon	Travelodge Delta & Concorde Room 106 Circle Drive W Saskatoon
Friday, April 11	9:30 a.m.	Melfort	Travelodge 101 Spruce Haven Road Melfort



